REMARKS

This responds to the Office Action dated March 22, 2007, and the references cited therewith.

No new claims are added or amended; as a result, claims 1-51 are now pending in this application.

Response to Examiner's Response to Applicant's Arguments in January 25, 2006 Response

The Examiner asserts that the Applicant has not pointed out where Maue does not mention anything regarding financing out-of-pocket costs. With all due respect, the Applicant has read Maue from beginning to end and can find no mention of financing anything. The Examiner points to page 4, lines 4-17 for the proposition that Maue teaches the "concept of a law firm incurring costs in connection with financing a client's out-of-pocket expenses." However, the Examiner cites no phrase or words from that section that state such a proposition. The Applicant sees mention of many expense items but not a single one among them talk about financing out-of-pocket costs. The Applicant would appreciate it if the Examiner could call him to discuss this teaching as a phone call would probably clear it up.

The Examiner's comments on Walker, which allege that Walker shows it is "well known" to charge "separate (finance) charges," highlight that the Examiner is probably not reading this limitation in proper context. In particular, an example of this limitation from claim 1 states:

1. (Previously Presented) A method comprising: a service provider providing services to a law firm in relation to separate charges assessed for each of a plurality of out-of-pocket costs incurred by the law firm for one or more clients of the law firm; and wherein each separate charge is determined automatically using at least one computer and relates to a cost associated with financing the respective out-of-pocket cost incurred by the law firm.

The Applicant notes that Walker teaches the opposite of Applicant's claimed invention. In particular, Walker teaches charging a finance charge which is not "separate" in relation to item charged on the bill. Rather, Walker teaches that finance charges are assessed not "separately" but against the "collective" total of the items on the bill. The Applicant's claim 1, for example, requires a "separate charge" that is at least in part a "cost associated with financing the out-of-pocket costs." In this context, the Applicant's claim 1 requires some type of finance charge that is separate for each out-of-pocket expense. In stark contrast, there is in fact no way to tell from the bill suggested by Walker or any other credit card bill known to the Applicants how much the finance charge was for each "separate" item on the bill. The only way to determine this would be for the consumer to reverse engineer it from the bill by making some assumptions. Certainly, by no stretch of the imagination, is there any suggestion that such reverse engineering has ever been done by a computer, for example in the case of claim 1, for an out-of-pocket cost for a law firm client that may have happened to be charged to a credit card, as would have to be present to get even remotely close to supporting the Section 103 rejection advanced by the Examiner.

Further, the Examiner asserts that the Applicant's claims do not claim the equivalent to a "credit card provider providing a 'separate charge' specifying the finance charge related to individual card purchases." The Applicant is not claiming this feature per se, but is claiming, in generally but not exactly the same terms, a "*law firm* provider providing a 'separate charge' specifying the finance charge related to individual *out-of-pocket expenses*." For example, claim 1 requires, in a slightly rephrased form: "determining, for clients of a law firm *a separate charge in relation to each respective out-of-pocket cost wherein the charge is determined at least in part based on a cost associated with financing the out-of-pocket costs*." Accordingly, the Applicant asserts that the Applicant's claims do in fact include this type of limitation, a feature clearly absent from the teaching of Walker or Maue, such that the Examiner has not made out a *prima facie* Section 103 rejection with the combination of these references.

§103 Rejection of the Claims

Claims 1-54 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Maue ("How to Control Your Company's Legal Costs") in view of Walker (U.S. Patent No. 5,970,478) and in further view of Landry.

As noted by the examiner, Maue does note that law firms will bill clients for expense items. However, Maue actually makes no mention of costs incurred by a law firm in connection with a loan, funding or financing of an out-of-pocket cost for a client, a limitation found in one form or another in each of the Applicant's pending claims. For example, claim 1 refers to "a cost associated with financing an out-of-pocket cost incurred by the law firm", while claim 53 refers to "a cost associated with funding the respective out-of-pocket cost incurred by the law firm." These are just two examples of the reference each claim makes to such loans, funding or financing of out-of-pocket costs.

In fact, Maue actually teaches that a client should limit and prohibit practices in relation to expense items incurred by a law firm. As such, the general approach and tone of Maue reasonably teaches away from the spirit of the claimed invention, wherein a "separate charge" is prepared in respect of an "out-of-pocket" cost, such that the "charge" is related to a cost of a loan, financing or funding the "out-of-pocket". Claim 1, for example, requires "separate charges assessed for each of a plurality of out-of-pocket costs incurred by the law firm for one or more clients of the law firm." Limitations of a similar nature, but not identical or to be equated, are found in all of the other pending claims.

The examiner has also cited Walker (US Patent 5,970,478) for the subject matter absent from the teaching of Maue. First, the Applicant asserts that Maue literally teaches away from using the technology of Walker to even try to provide the claimed invention in any of its forms. Put another way, Maue does not provide any motivation for a law firm to find more efficient ways to pass along costs to clients – rather, Maue would suggest law firms should not try to pass along more costs that may upset a client trying to limit such charges per Maue's suggestions.

Further, Walker itself makes no mention of using its teaching to charge clients of a law firm a "separate charge" in relation to an "out-of-pocket" cost. In fact, Walker makes no mention anywhere of the concept of billing a law firm client a "separate charge" that relates to the cost of funding, financing or a loan in relation to an "out-of-pocket" cost. All Walker suggests is that a credit card bill may be sent to a credit card customer and that the credit card company may charge a finance charge on the balance of the credit card. Moreover, Walker makes no mention of financing out-of-pocket costs for law firm clients, nor law firms, nor law firm clients, nor anything else that pertains to how law firms should deal with handling the out-

of-pocket costs for law firms. As such, there is no motivation to look to Walker to create a system for billing clients in relation to out-of-pocket costs.

The use of Walker's technology to obtain the operation claimed by the Applicant is not only not obvious, it is not really possible. If a law firm were to use a single credit card account to pay out-of-pocket expenses for clients such that the credit card company is the "service provider" or the party "billing the law firm", the credit card of Walker would bill the law firm one bill that lists all costs funded with the credit card but with only a single finance charge that is undifferentiated between the expenses charged and carried on the card – and therefore NOT providing "separate charges" for each out-of-pocket expense as required by the claimed invention in all its forms in the pending claims.

In fact, the examiner has cited no art that teaches the idea that a credit card provider provides a "separate charge" specifying the finance charge related to individual card purchases, and no such technology is known to the Applicant at present. In point of fact, it is the Applicant's disclosure that alone teaches this unique concept, particularly with respect to law firm's handling of out-of-pocket costs, for which all claims are limited.

With respect to Landry, it does not teach that its billing system should be used by a law firm to pay the out-of-pocket expenses of clients. Landry provides a bill payment system to eliminate the necessity for multiple payees to make delivery of their respective bills to consumer payors and to allow the possibility of single delivery of bills from multiple payees to a payor. Here, if we assume that the payees are vendors that are providing services to clients, it then logically follows that the client would be set up on the Landry system as a payor for these payees. If that were the case, then the client would pay its own costs directly through Landry's system, and the law firm would not be required to go "out-of-pocket" for such costs. Accordingly, in this scenario, the Applicant's claimed subject matter would not come into play as there is no "out-of-pocket" cost to be concerned with. So, according to this reading of Landry, Landry is used to set the client up to pay its expenses directly such that the law firm does not have an out-of-pocket expense at all to deal with. However, this is not at all what the Applicant is claiming.

An alternative reading of the motivation to use Landry advanced by the examiner might be (but not admitted to be obvious in any way by the Applicant) that Landry is used to automate

the payment by the law firm of vendors (payees) that were providing services for the benefit of a law firm client. This reading makes less sense in the context of the problem addressed by the Applicant's claimed subject matter, as the problems addressed by the claimed subject matter do not include the burden of manually paying vendors. But, in any event, using this less logical approach, the vendors (providing a service for the benefit of a client) would be set up as payees of the law firm/payor in the Landry system. The law firm would then use the system of Landry to pay the vendors for such services. The bill payment system operator would in turn bill the law firm for its payment services (Landry's service fee noted in Col. 35 Ln. 36-58), and the law firm would pay the operator for such services – for example the operator may debit the law firm payor account. In this scenario, the only parties presenting a bill are the vendors, who are presenting a bill to the law firm, and there is no accounting for any bill being generated by the law firm to the client. However, in the Applicant's claimed subject matter, the only limitation pertaining to invoicing is this very invoice – the invoice from the law firm to the client. As such, this proposed reading of Landry fails to include teaching for the only invoicing limitation in the Applicant's claims.

Still further, neither proposed use of Landry discussed above provides that any party (either vendor or client or otherwise) is to be invoiced for both an out-of-pocket cost and an associated expense in the same invoice, as required by the Applicant's claims. In either scenario described above, the "associated expense" is presumably the fee charged by the system operator to make automated payments for the law firm. That would either be invoiced separately to the client or law firm, depending on who was the payor. These invoices, however, would not contain a billing for the associated expense paid by the service (the supposed out-of-pocket costs). Thus, Landry also fails to show this feature of the Applicant's claimed invention.

Thus, even if one were motivated to use Landry in any of the configurations that can be gleaned from the alleged motivation proffered by the Examiner, the resultant operation would not come close to meeting even the most rudimentary aspects of the Applicant's claimed system and method. In point of fact, the technology disclosed in Landry is simply an automated bill payment system that merely provides infrastructure for presenting and paying bills electronically. Further, Landry does not mention even once law firms or lawyers or even professional service providers. It does not mention even once out-of-pocket costs or the notion of a law firm paying

an out-of-pocket cost. It does not mention even once finance charges or how to calculate them – in fact the service of Landry doesn't care about finance charges as it has nothing to do with the loan of money or financing whatsoever.

Further, if the teachings of Walker were combined with Maue further in view of Landry, the result would not be billing law firm clients separate charges, but rather most likely not billing for any charges whatsoever as proposed by the Applicant, which would surely raise flags in Maue's view, but even still further were the approach of Walker to be used to fund client costs, the result would not be "separate charges" for each "out-of-pocket" expense funded using the credit card, but rather one single finance charge that is the cumulative for all out-of-pocket expenses incurred for a client in any given period, as is provided by Walker's approach for billing customers of a credit card company. More particularly, the following the text from Walker referred to by the Examiner in the office action (column 5, line 56 to column 6, line 6):

> "FIG. 4 depicts a preferred set of parameters pertaining to each credit account. These parameters are stored in the parameter database 27a. When the customer selects the parameters in step S3 of FIG. 6, he selects from the available parameters. The preferred parameters include: the interest rate that is charged on unpaid balances; the time period of the interest rate, which is the amount of time for which the interest rate must remain fixed; the monthly minimum payment, which will typically be a percentage of the outstanding balance; the credit limit, which is the maximum amount of credit that the issuer will extend to the card holder; the grace period, which is a period following a purchase during which interest does not accrue; payment amnesty, which records the number of times a customer is permitted to skip a monthly payment which is inconvenient to pay; and a late fee, which is a fee that is charged when a customer does not pay his bill on time.
>
> Parameter database 27a is preferably indexed by the account identifier, linking parameter database 27a with customer database 27b. Of course, the invention is not limited to the parameters described above, and alternative parameters may be used."

As can be readily appreciated, nothing in this text makes any reference to assessing "separate charges" in relation to financing each "out-of-pocket cost" charged on the credit card. Again, this is found in the Applicant's disclosure but not in the cited prior art. Alternatively, the teaching of Landry would suggest that a law firm should use the system of Landry to arrange to somehow have clients pay the out-of-pocket costs directly by electronic invoicing in some type of arrangement.

Accordingly, the Section 103 rejection of the Applicant's claims in view of the combination of Maue and Walker and further in view of Landry fails to set forth a *prima facie* showing of obviousness, and should be withdrawn.

Given the failure of the art cited, alone or in combination, to teach the claimed combination of the Applicant's independent claims, the remaining pending claims dependent thereon are also believed free of the art for the same and addition reasons owing to the limitations they may add to those claims.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 373-6902 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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Date Sept. 24, 2007

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop RCE, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 24 day of September 2007.

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Name

Signature